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Special National Home Center Show Coverage

Panel tells American DIY execs how to crack overseas markets

By John Caulfield
NHCN associate editor

DALLAS—American home center industry executives recently learned that food chains in France are diversifying into the DIY market; that Ace Hardware helped a Guatemalan wholesaler develop a chain of home improvement stores and that gardening tools and supplies made up the biggest percentage of total per-store sales in Japan.

For American dealers and manufacturers interested in overseas DIY markets, this year's International Conference at the National Home Center Show provided innumerable details about the development of the home center industry in several European, Asian and Latin American countries. Suggestions about expeditious ways to break into those highly competitive markets were also delineated.

Dwight Boyer, marketing vp for Master Lock Co., and chairman of the Worldwide DIY Council, went right to the heart of the matter when he told a luncheon audience that for "the 11th straight year," the United States has imported more than it has exported, and its trade deficit was $33 billion in 1982.

Boyer suggested that manufacturers in this country need to develop an export "game plan" that includes accumulating detailed research on the markets of foreign countries, understanding the marketing and distribution nuances of those markets, and then making a real commitment in them with a strong sales force.

He said that much of the information manufacturers might need is available from the U.S. Commerce Department at minimal cost, but insisted that American producers should not be afraid to take the initiative and conduct market research studies or product tests on their own. Quoting Commerce Dept. estimates that 18,000 "trade opportunities" worth $500 million will open up overseas in 1983, Boyer urged his listeners to take advantage of these prospects.

He specifically stressed the need for exporting firms to know what they were getting into, especially the political and economic situations of the countries they were shipping to. Boyer also enumerated some amusing "peculiarities" in the lifestyles of certain nations: In Teheran, there is no phone book; Cairo, with eight million people, has only 250,000 phones; three years ago, mail in Italy was being shipped aimlessly on trains instead of being delivered, and in Saudi Arabia, streets and houses sometimes lack names and numbers.

Gilles Caille, vice president for the Centre de Liaison et d'Information du Bricolage (CLIB), presented statistical data on the French DIY market that, in scale, bore only partial resemblance to its United States counterpart.

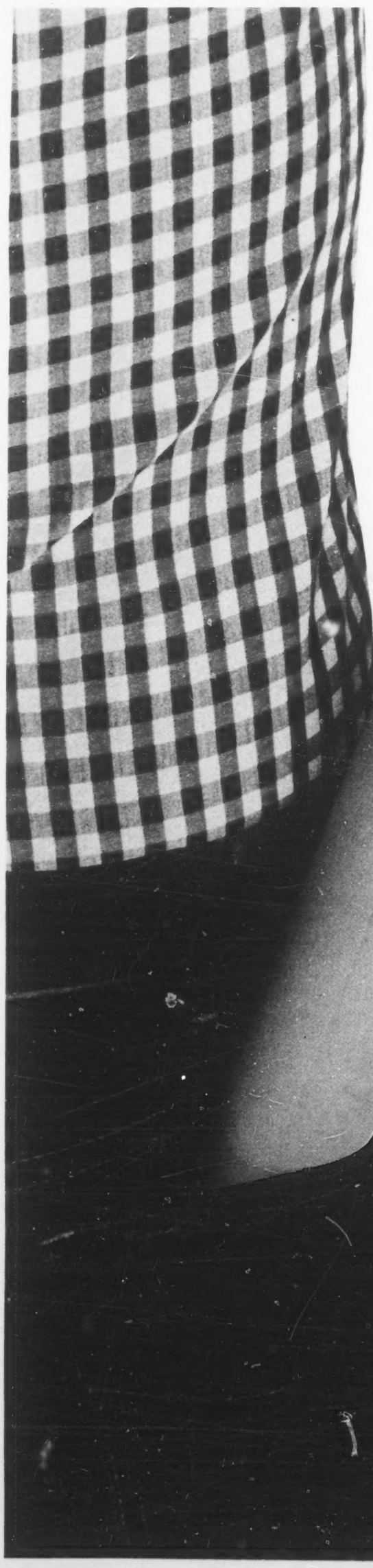
Home improvement sales in France rose to $1.7 billion in 1981 (based on the conversion of seven francs to one U.S. dollar), and there are about 2,000 stores selling building materials, tools, decorator products, electrical and plumbing supplies, and lawn and garden items. A typical French store averages $1.3 million in sales, has 13,450 sq. ft. of selling space and employs 14 workers. From 1971-76, France averaged about 90 new store openings annually, which dropped to 55 a year in 1976-81.

Sixty per cent of the country's DIY stores are part of larger chains (far greater than in the United States where about 33% of all home centers are chain-operated), France's DIY industry breaks down into six store classifications:

- Independents which account for 20% of the industry's stores and selling space;
- Stores affiliated with chains or buying groups accounting for 35% of total selling space, and includes such companies as Catena; ANPF, which runs "Mr. Bricolage" and Sapec, operating Gemo and Maison Conseil units;
- Specialized "multiple" stores and franchises, such as Castorama and Leroy-Merlin, typically the country's largest DIY stores, accounting for 33% of all DIY retail selling space but only 12% of total units;
- Shopping centers, which account for 2% of all the home improvement stores, and 3% of the industry's selling space;
- Department stores and "popular" units, which are more active in the DIY market than most of their American counterparts, having 5% of all the retail square footage and 4% of France's DIY outlets; and
- Lastly, major food companies now expanding into the DIY realm, which account for 2% of the industry's stores and 3% of its selling space. Examples of this trend are the Casino food chain, which has opened up home centers called Somabri, and the Euromarche group, with Euroloisurs specialty DIY units.

Caille noted that 81% of all French men and 44% of the country's women are DIYers, with the male shopper falling into the 35 to 49 age group and the woman into the 25 to 34 sector. In a poll CLIB did in 1981, it was discovered that 64% of French DIYers performed the job themselves to avoid paying a contractor and another 51% said they enjoyed doing the

(Continued on page 40)



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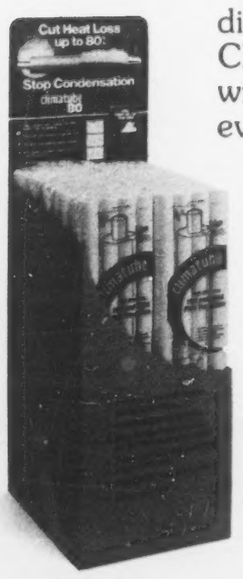

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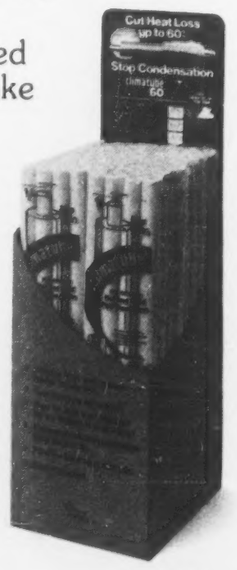

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Special National Home Center Show Coverage

International conference

(Continued from page 6)

work, roughly in line with United States figures, Caille said.

The Japanese home center market appears to be more lawn and garden and automotive oriented in its merchandising, according to information provided by Yuzura Kimura from Asahipen Corp. and executive committee chairman of the Japan DIY Industry Assn.'s paint division.

Gardening materials and tools generally take up almost one quarter of the floor space in a Japanese home center (which averages 17,100 sq. ft. of indoor and outdoor selling space) and the product category generates the highest percentage—17.2—of a store's total volume, followed by car accessories which account for 14.2% of sales, from 8.2% of a store's selling area.

However, carpentry tools had the greatest sales growth in Japanese DIY outlets in 1981 (26.3%), with car accessories (25%), hardware (24.6%) and garden tools (21.4%) following that lead.

Kimura explained some of the differences in Japanese merchandising that are dictated by custom and tradition. For instance, because of the "indigenous architecture" of Japanese homes, DIY maintenance has been very difficult, and he pointed specifically to Japanese customers reluctance to use paint on delicately contructed interior walls. Nevertheless, Kimura felt the acceptance of DIY in his country of 110 million people is growing.

While he did not say how large the Japanese market actually is, 1981 sales from some of its larger companies indicated chains are finding a healthy market: Kahma has 20 stores doing $75 million; Keiyo with 29 units has sales of $66 million, and Nafco generates $64 million from 35 stores.

The average Japanese home center does $2.8 million in sales annually, with sales per square foot around $193, net income as a percentage of sales averaging 3.4% and gross margins hovering at the 25% mark. In terms of the individual size of Japan's home center stores, Kimura's data showed that only 3% of the country's stores exceeded 32,400 sq. ft., but more than 20% had profits in 1981 at or above 7% of sales.

Peter Keller, managing director of the Amsterdam-based FETIM BEKOL wholesale distributor, meanwhile claimed the European DIY market "began in Holland" in the 1960's, and had grown to $1.3 billion in sales last year, although he projected the country would experience a 2% reduction in individual consumption in 1983.

Of the 8,000 stores selling DIY products in Holland, 280 are home centers, 3,100 paint stores, 1,700 are lumberyards and another 2,650 are hardware stores. In the home center group is the American-based Wickes, with 75 stores; the GAMMA group, with 69 warehouse style building materials outlets, according to Keller, and an unidentified number of "Super-Doe" stores, ranging from 30,000 to 35,000 sq. ft. These are operated by Vroom Dreesmann, B.V., the retailer which, in 1981, attempted to merge with W. R. Grace.

Keller estimated that 47% of all DIY projects in his country were done jointly by men and women and, unusually, about 50% of all Hollanders travel to a DIY store on foot.

Mario Nathusius, president of Cemaco Ace Home Center in Guatemala City emphasized his country's relatively low debt levels—when compared to countries like Brazil—and attractive consumer demography (83% of the population is under 39 years old) as the basis for stating that the DIY market in his country was growing, and that United States manufacturers should actively solicit its business.

He used a slide presentation to describe how Ace Hardware, the Oak Brook, Ill., co-op wholesaler, assisted in his converting his four stores into home centers each doing between $1.5 million and $3 million in sales. His newest unit is 18,000 sq. ft. with a 20,000-sq.-ft. warehouse.

PROPORTION OF SALES FIGURES Japan DIY industry

Exterior articles	5.1%
Paints and Adhesives	5.8
Carpentry tools	5.8
Lumber and Plywood	8.3
Electric supplies	8.9
Interior articles	9.3
Hardware	10.0
Daily goods	11.2
Car accessories	14.1
Gardening materials/tools	17.2
Hobby	4.3

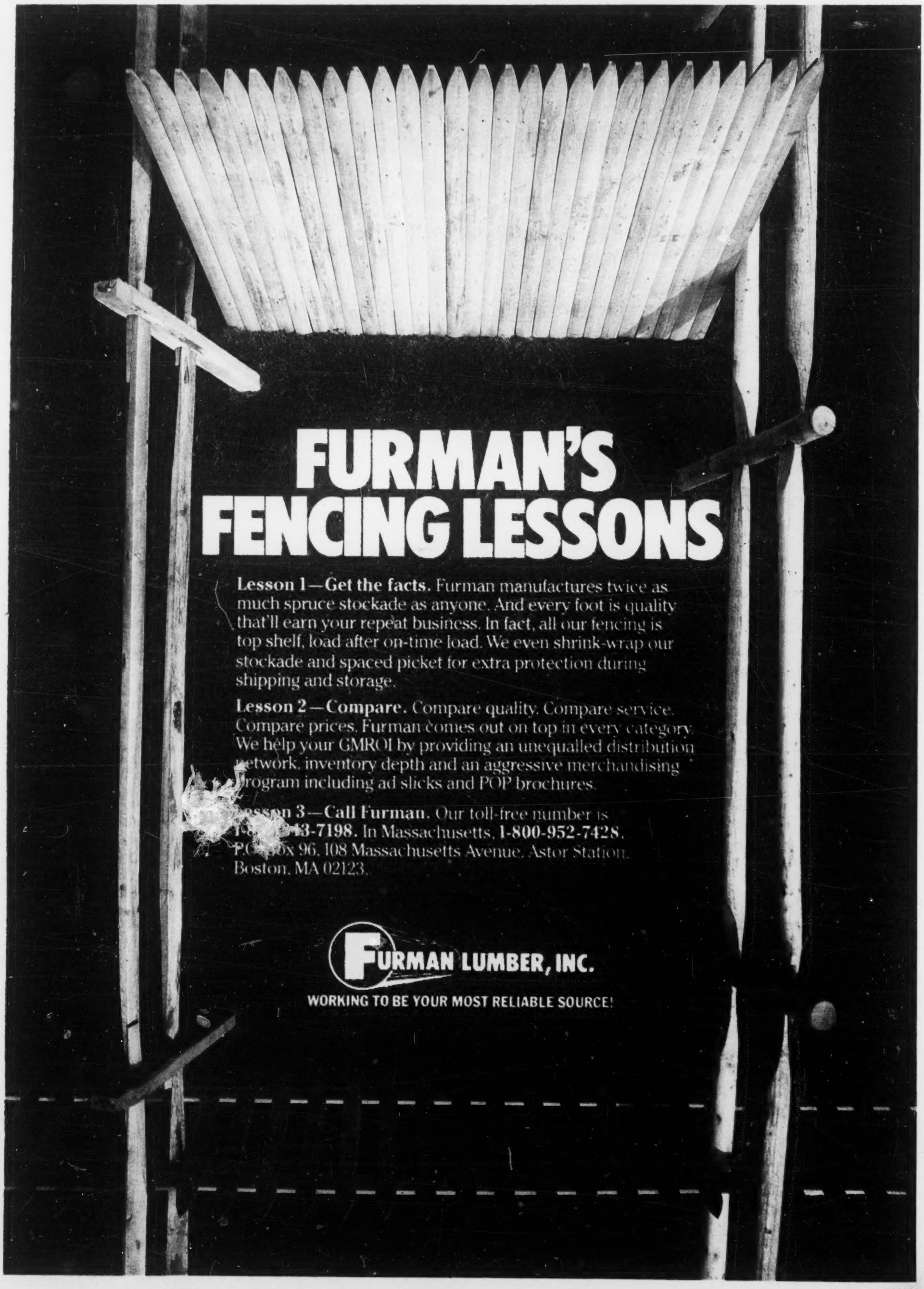
Source: Japan DIY industry

PROPORTION OF FLOOR SPACE Japan DIY industry

Carpentry tools	4.7%
Paints and Adhesives	5.5
Electric supplies	7.2
Car accessories	8.2
Daily goods	8.9
Hardware	10.1
Lumber and Plywood	10.5
Interior articles	10.7
Gardening materials/tools	23.6
Hobby	4.6
Exterior articles	5.5

Source: Japan DIY industry

Japanese home centers devote nearly one-quarter of their selling space to gardening equipment that, on the average, generates over 17% of total store sales. The biggest money maker, in terms of sales per square foot, appears to be car accessories, which take up around 8% of floor space and tally 14% of sales.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Message to rural dealers: Know your local market

DALLAS—The small-market retailer should make it his objective to strive for both an understanding of the local business environment and a high degree of professionalism among his employees.

That was the essential message brought to an estimated 165 people who attended the National Home Center Show's seminar on rural and small town home centers.

The session featured presentations by Charles M. Bell, president of Bell's Do-It Center in Donna, Tex., and Herb Wiechman, president of the North Platte Lumber & Supply Co. of North Platte, Neb.

Both Wiechman and Bell advised retailers to support the community that supports their businesses by becoming involved with civic activities.

FUTURES

Two weeks ended March 4, 1983

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4s; $ per 1,000 bd. ft.							
March	185.00	177.10	183.90	182.00	1,624	209.80	146.80
May	199.70	189.60	192.70	195.70	4,656	209.50	151.50
July	210.70	201.00	203.10	207.20	1,857	217.60	158.00
Sept.	216.00	208.30	210.50	213.30	1,018	221.00	163.80
Nov.	218.40	210.40	212.60	215.40	819	221.70	168.00
Jan. '84	224.10	216.80	219.30	220.50	293	232.00	179.00
March	231.30	225.50	225.70	228.20	101	234.00	206.50

Total Contract Vol. (Through 3/4): 29,427 — **Previous Two Weeks: 28,960**
Total Open Interest (As of 3/3): 10,386 — **Previous Week: 11,631**
Cash Price: $174.44 — **Previous Week: $168.56** — **Year Ago: $128.38**

PLYWOOD (CBT)—76,032 sq. ft. ½-in. ext. 4/5-ply; $ per 1,000 sq. ft.							
March '83	205.00	196.00	197.70	202.50	145	212.00	162.50
May	209.50	200.30	201.90	207.00	694	216.20	167.00
July	213.40	204.50	205.50	210.70	739	221.00	170.00
Sept.	215.00	208.30	209.00	213.20	399	223.90	185.00
Nov.	217.80	120.80	212.00	215.50	131	226.60	206.50
Jan. '84	220.00	213.50	214.50	218.10	15	221.00	213.50

Total Contract Vol. (Through 3/3): 3,409 — **Previous Two Weeks: 2,667**
Total Open Interest (As of 3/3): 2,123 — **Previous Week: 2,305**
Cash Price: $190.12 — **Previous Week: $194.04** — **Year Ago: $173.46**

COMMODITY RESEARCH BUREAU INDEX:	This Week 233.6	Previous Week 237.3	Year Ago 255.3

CME—Chicago Mercantile Exchange — CBT—Chicago Board of Trade
*Figures for Thursday, March 3.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

SALES & EARNINGS

Company	Period Ended	Current Sales*	Year-Ago Sales*	% Change	Current Earnings*	Year-Ago Earnings*	% Change
Lowe's	1/31-4th qtr.	$ 250,069	$ 173,501	44	$ 5,365	$ 3,128	72
	1/31-Year	1,034,032	888,042	16	25,131	17,859	41
Pay 'n Save	1/29-4th qtr.	306,974	272,638	13	8,512	5,867	45
	1/29-Year	1,043,218	949,189	10	16,807	12,897	30
Wolohan Lumber	12/31-4th qtr.	24,945	18,481	35	211	342	–38
	12/31-Year	89,178	88,788	—	638	972	–34

*$ in thousands

4th quarter sales up at Wolohan

SAGINAW, Mich.—Charges connected with the closing of units in Evansville, Ind., and Hilliard and Cherry Grove, Ohio, contributed to lower net income, although sales were up, in both the fourth quarter and year for Wolohan Lumber, company officials said.

The company made a $475,000 charge to fourth quarter financial results for estimated closing costs and expenses at the three units, giving the chain $211,000 in net income for the quarter and $638,000 in net earnings for the year, officials said.

Comparable earnings in 1981 were $342,000 for the fourth quarter and $972,000 for the year.

Wolohan closed the stores, reducing unit count to 32, at the end of 1982 because they were not turning a suitable profit, corporate controller David G. Honaman noted.

"This [the closings] is part of a consistent review," he explained. "We are looking at the bottom third of our units constantly and if we feel we can't turn them around, we are redeploying the assets."

Company president David F. Wallace said recently in commenting about the Hilliard closing and sale to Sutherland Lumber: "We've taken the stance of reviewing all our centers and replacing the noncontributors with contributors. We intend to grow and we can't let some units drag us down." (*NHCN*, Feb. 28).

Wallace noted that although net income for the final quarter was down from the year earlier, income before income taxes and before the charge for the closings increased 88% to $776,000, the third straight quarter that an increase had occurred in income before taxes and other charges.

Wolohan officials were also encouraged by increasing sales trends.

Fourth quarter volume grew 35% over the previous year, the second quarterly rise in a row, to $24.9 million to help annual sales rise from $88.8 million in 1981 to $89.2 million last year.

For the last quarter, consumer volume rose 49% while builder sales increased 15% compared to prior-year figures.

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National Home Center News®

Vol. 9, No. 8 The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. April 11, 1983

Huge crowds jam House Works grand openings

New Grace chain off to flying start in New Orleans

By Wyatt Kash
NHCN editor

HARVEY, La.—Television teaser ads had warned of major traffic tie-ups along the West Bank Expressway here the night House Works was to make its grand debut. But few were prepared for the sheer number of people who descended upon the nation's newest home center operation opening in suburban New Orleans last month.

Traffic at the House Works' Manhattan Boulevard exit was backed up nearly four miles along the service road compounding commuter delays resulting from the new expressway under construction. Cars clogged Manhattan Boulevard, meanwhile, and adjacent ave-

(Continued on page 4)

NHCN photo

Despite torrential rains, New Orleans-area shoppers turned out in droves for the grand opening of W. R. Grace's House Works store in Kenner. The store is one of five due open by May, in addition to two new Home Depot outlets scheduled to debut by summer.

Texas Lumbermen's Assn. representatives present legislative agenda of the National Lumber and Building Material Dealers Assn. to Sen. John Tower (R-Tex.), who this month will introduce a bill establishing Mortgage Retirement Accounts, the NLBMDA's top priority. Facing the Senator are, from left, LAT president Henry Herder; Fred Crozier, vp of Joe Howard Lumber, Fort Worth, and Leon Mellow, LAT legislative head and president of Wiener Lumber, Dallas. NHCN photo

Lumbermen and builders lobby for new financing legislation

By Ken Schept
NHCN senior editor

WASHINGTON—Lumbermen and builders from throughout the nation came to Washington last month to visit Congress and lobby for a variety of legislation.

The groups backed proposals aimed at long-range structural changes in the way housing is financed in the United States, a marked change from the focus of lobbying last year, which was passage of a housing stimulus bill.

"Last year we were building fewer than one million units annually; there was 23% to 24% unemployment among construction workers and 17% interest rates," said Jay Shackford, National Assn. of Home Builders vice president. "Now we're starting to see recovery in housing. We're dealing in a completely different market. A lot of these things [items of legislation] look at the long-range capital needs of our industry."

A particular priority of the National Lumber and Building Material Dealers Assn. are Mortgage Retirement Accounts (MRAs), a variation of IRAs that would allow tax-exempt saving toward down payment on a first home or mortgage prepayment of a current home.

The NAHB is also interested in savings opportunities for

(Continued on page 37)

Two pipe bombs found in Jersey Channel stores

NEW YORK—Two homemade pipe bombs were discovered last month at Channel Home Center stores in Clifton and Totowa, N.J., less than half an hour before the devices were set to go off.

Passaic County Sheriff Edwin Englehardt said the first bomb was found hidden among bags of fertilizer in the Clifton store's lawn and garden department on March 15. Police discovered the second device two days later at the Totowa store, where it had been placed in a plastic garbage can in the housewares section.

A week earlier, police uncovered what they called "a very sophisticated" electronic bomb in the toy department of a Caldor's discount store in West Paterson, N.J.

(Continued on page 37)

Marketers reposition unfaced fiberglass

New tact bolsters insulation sales

By David Morgan
NHCN field editor

NATIONAL REPORT—Home center operators are posting moderate sales increases for fiberglass insulation thanks to new packaging and promotion of unfaced insulation aimed at homeowners who've reinsulated once, but who could afford to add more.

Lowe's, Busy Beaver, Lloyd's Lumber, Somerville Lumber and Value Home Centers are among a number of chains reporting that traditional, unfaced batts and rolls of fiberglass insulation, packaged as a supplemental insulating product, are gaining a sizable share of their total insulation sales.

Moreover, the added sales impetus has helped boost total fiberglass insulation sales up by between 10% and 25% in 1982 over the previous year, although some dealers reported sales fell short of expectations

Don Schmidt, a buyer for Busy Beaver in Pittsburgh, was one of several retailers who said the largest unit sales gains experienced last year came from newly packaged unfaced insulation, which increased by 169%. Schmidt noted that the product still accounted for only 2% to 3% of Busy Beaver's overall insulation sales, estimated at nearly $4 million.

Schmidt said the 30-store chain kept its fiberglass insulation stock 2-to-1 in favor of unfaced rolls and batts, vs. faced insulation in expectation of higher purchases in the reinsulation category. "But this year will be different," Schmidt

(Continued on page 37)

NEWSBREAKS

MORE IN MILWAUKEE. Menards, Eau Claire, Wis., is set to follow through on its proposed three-store expansion into the Milwaukee market after securing permission from municipal officials for two more outlets in Brookfield and Franklin, Wis., suburbs of Milwaukee. The $200 million company has reportedly set next month for the grand opening of its first Milwaukee unit.

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NHCNews Briefs

Industry Update

Home Depot earnings up to $5M; plans 96,000-sq.-ft. Tampa unit

NEW YORK—The Home Depot announced net earnings for the fiscal year ended Jan. 30, 1983, totaled $5,314,618 on sales of $117,645,553.

The record earnings marked a 339% increase from the $1,211,074 posted the year before, even after allowing for $440,000 in preopening expenses tied to the Atlanta-based chain's two Orlando, Fla., stores which opened four days before the close of the fiscal year, according to Bernard Marcus, chairman and ceo. Marcus made the announcement before a group of security analysts at a meeting held here last month by the DIY Research Institute. He noted sales for the fiscal year just ended were up 128% from the previous year total of $51,541,957.

In a separate report, Home Depot officials announced the locations of the final three stores expected to open later this fiscal year, including the debut of a 96,000-sq.-ft. store in Tampa, Fla. The other stores, 70,000 sq. ft. in size, are slated to open in Clearwater, and West Palm Beach, Fla., officials said late last month.

In commenting about the 1982 sales performance of Home Depot's established Atlanta and South Florida stores, Marcus said the stores had yet to show a leveling in sales growth. He declined to make same-store sales comparisons for the original units, but indicated sales were up in excess of 20% over the previous year.

"We've not been in a position where we have a mature store," he explained, adding that though it was difficult to really estimate potential sales, he could foresee a day when Home Depot might gross up to $30 million a store.

He stated that the chain's goal was to generate "a return on equity of better than 25%" and that the management was prepared to drive down gross margins to stimulate volume and shoot for a seven-times turnover rate, compared to approximately six turns at present.

Fourth quarter results showed net income of $1,293,444 on sales of $30,245,280 vs. income of $638,211 on comparable sales of $19,208,762.

Goodbuys readies new Philly unit

PHILADELPHIA—Mr. Goodbuys is set to open its second unit here by July.

The three-store independent last month purchased Price-Rite Home Supply, a 15,000-sq.-ft. store in northeast Philadelphia. According to Steve Erlbaum, Mr. Goodbuys president, the existing store will be renovated to a total of 70,000 sq. ft.

Erlbaum said that his firm, which also operates stores in Union, N.J., and Baltimore, expects to open several more units in Philadelphia, with perhaps a third location ready for opening this year.

The increasing rate of expansion reflects the belief of Erlbaum and other Mr. Goodbuys principals that their chain has hit its stride, having established a niche for itself in certain categories and a prototype that can be replicated (*NHCN* Feb. 28).

While Mr. Goodbuys' management had been considering hiring a director of operations to handle the extra burden resulting from the expansion, purchase of Price-Rite has made that personnel move unnecessary for now, according to Erlbaum.

Instead, Price-Rite partners Sandy Roland and Alan Leibowitz will assume operational responsibilities at Mr. Goodbuys.

Both men worked with Erlbaum earlier in their careers.

National Home Center News

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Vol. 9, No. 8 April 11, 1983

Southwest Forest abandons Ind.; selling last three Dunlap's stores

PHOENIX—Southwest Forest Industries is planning to withdraw from the Indiana markets where it entered home center retailing in 1970 in favor of expanding its Knox Lumber chain, possibly into the Sunbelt.

A company spokesman said Southwest Forest is seeking buyers for the last three Dunlap's Home Improvement Centers in Columbus, Madison and Seymour, Ind., after selling off its Dunlap's unit in Nora, Ind., to Payless Cashways (*NHCN*, June 7, 1982) and closing outlets in Muncie and North Vernon, Ind., late last year.

In its 1982 annual report, the company stated its "long-term strategy . . . to emphasize the cash-and-carry retail side of building products marketing."

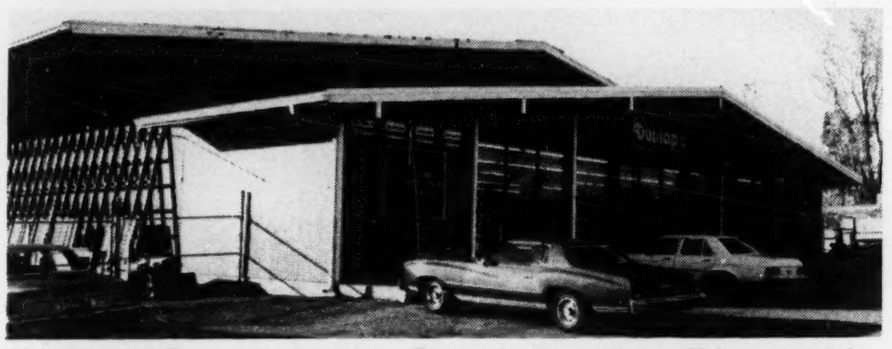
That strategy left Southwest favoring Knox, which did a large majority of its $70.6 million in 1982 sales with DIYers, over Dunlap's, which totaled about $20 million in volume, 40% on a cash-and-carry basis, in 1981 when it was operating all of its six units

Concerning the two Dunlap's units that were closed, the spokesman explained that the company felt it "could do better closing, liquidating the inventory and selling the real estate than to sell the units as ongoing businesses."

Overall, he said, it is the company's plan to exit from "weak markets, subject to cycles," and concentrate assets in better markets.

Southwest's plans with Knox, which it acquired late in 1980, were confirmed in its 1982 annual report when officials noted, "Building on the marketing and administrative expertise of Knox, Southwest plans to expand this chain of retail stores when economic conditions warrant, and is actively exploring potential markets in the Sunbelt."

Besides five stores in its home market of Minneapolis/St. Paul, Knox also operates single units in Duluth, Minn., Billings, Mont., Fargo, N.D., and Sioux Falls, S.D.



Southwest Forest Industries, Phoenix, is selling off its remaining three Dunlap's units in Indiana, in favor of expanding its Minneapolis-based Knox Lumber chain, possibly into the Sunbelt. NHCN photo

At home center industry conference:

Suppliers warned: Don't kill 'gold goose'

NEW YORK—Speaking at a home improvement conference here last month, Bernie Marcus, chairman of The Home Depot, implored manufacturers not to raise prices.

Marcus argued that it would be a mistake for suppliers to try to make up immediately all the losses they incurred during the recession.

His remarks were passionately delivered to a group of about 100 industry executives gathered at a two-day meeting sponsored by Frost & Sullivan, the research group. According to Marcus, several major manufacturers are poised to levy major price hikes.

"Don't kill the golden goose," he said. "Don't try to make back in one year what you've lost in three. The goose is going to lay a lot of eggs, believe me."

According to another conference speaker, Walter Loeb, vice president of Morgan, Stanley & Co., the goose may be particularly prolific in June or July. That is when Loeb expects the recent strong level of housing starts will be reflected in housing completions of similar magnitude. He added that increased home resale activity would then follow within a couple of months.

"I project two to three years of strong demand for do-it-yourself merchandise," said Loeb. "The do-it-yourself industry has captured investors' imaginations."

In response to a question, Loeb, who follows Sears as an analyst, said he expects 50 to 100 Sears Paint and Hardware stores to be opened this year, not six as the company had announced.

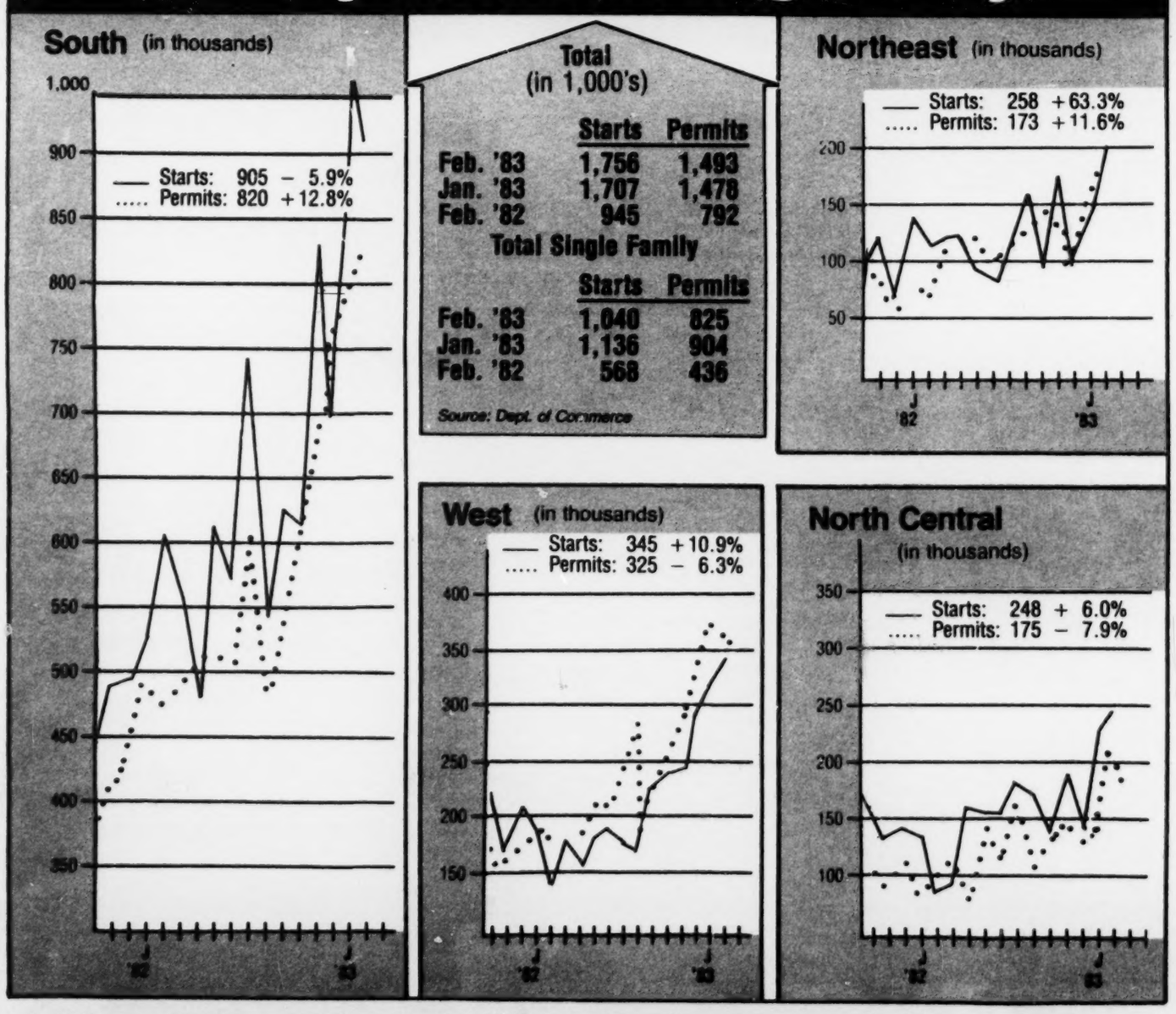
"I would not be surprised to see Sears try larger home improvement stores," Loeb also remarked.

Although he did not say exactly when such a move might occur, Loeb noted it would be consistent with what he called Sears' current "specialty craze."

John Parsons, Sears home

(Continued on page 38)

February home-building activity



February housing numbers surprised the experts, who generally expected a decline from January's 1.716 million total seasonally adjusted starts. Instead, 1.756 million seasonally adjusted starts were reported for February. While unusually warm weather and the statistical aberrations had been mentioned as possibly contributing to January's strong showing, February's weather was relatively poor nationwide. Also, single family starts were off in February, on a seasonally adjusted basis, but they still remained above one million.

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SALES & EARNINGS

Company	Period Ended	Current Sales*	Year-Ago Sales*	% Change	Current Earnings*	Year-Ago Earnings*	% Change
Hechinger	1/29-4th qtr. 1/29-Year	$ 56,421 241,261	$ 46,594 210,619	21 15	$ 3,718 11,744	$2,427 8,586	53 37
Hines Lumber	12/31-4th qtr. 12/31-Year	48,372 180,533	43,502 195,726	11 – 8	– 1,346 –31,511	–1,869 –5,836	— —
Lowe's	2/26-4 Wks.	69,600	46,700	49	—	—	—
Payless Cashways	2/26-1st qtr.	133,061	90,738	47	3,144	1,377	128
Scott's	1/29-4th qtr. 1/29-Year	5,800 28,000	5,100 19,000	14 47	11** 355**	– 734** – 207**	— —
Scotty's	2/26-4 Wks.	28,666	24,129	19	—	—	—

*$ in thousands
**operating earnings

Lowe's volume climbs by 50% during February

NORTH WILKESBORO, N.C.—Growing strength in the builder market and continuing growth in retail sales helped produce a 49% rise in total volume at Lowe's during February despite nearly two weeks of inclement weather in the period, officials reported.

During the four-week period ended Feb. 26, contractor sales rose 56% to $37.6 million while retail sales gained 42% to $32 million compared to the same period in 1982. The result brought Lowe's volume for the month to $69.6 million.

46/54 mix

The 235-store chain's sales mix for the period was 46% retail volume and 54% builder business.

Pay 'n Save's board proposes 2-for-1 split

SEATTLE—Pay 'n Save's board of directors has proposed a doubling of authorized common stock to 20 million shares and plans to use the additional shares, in part, to grant a 2-for-1 stock split.

Pay 'n Save, parent for Ernst Home Centers and Von Tobel's in Las Vegas, Nev., currently has 5,500,921 common shares outstanding.

Annual meeting

The company's stockholders will be asked to approve both the increase in authorized shares and the stock split at the Pay 'n Save annual meeting on April 28.

STOCK PRICES

	As of 3/16	52-week High	52-week Low	P/E Ratio
Boise Cascade (NYSE)	42	42	19¾	162
Evans Products (NYSE) [Alamo Ent., Grossman's, Moore's, Hubbard & Johnson, Lindsley]	15½	15⅞	4⅞	—
Forest City (AMEX)	20½	21	11¼	—
W. R. Grace (NYSE) [Angels, Cashway, Channel, Handy City, Handy Dan, Orchard]	41⅞	43¾	28½	6
The Home Depot (NASDAQ)	31½	34½	23⅞	—
Lowe's (NYSE)	37⅛	38	13½	29
Pay 'n Save (NASDAQ)	42¾	45½	30⅞	—
Payless Cashways (NYSE) [Furrow]	48¾	50¾	15¼	24
Scotty's (NYSE)	17	21⅛	8	16
Southwest Forest Industries (NYSE) [Dunlap's, Knox Lumber]	13¾	14¾	7¼	—

Over-the-counter stocks

	As of 3/16 Bid	As of 3/16 Asked	52-week High (Bid)	52-week Low (Bid)
Erb Lumber	17	19	18	7½
Hechinger	26¼	26½	38½	12¾
Hines Lumber	19½	20½	20	13
Pay 'N Pak	23	23⅛	23¾	11⅝
Scotts Seaboard [Scott's]	1	2	2¼	⅝
Wolohan Lumber	7⅛	7⅞	7⅝	3

Scott's shows 4th quarter, year-end financial gains

LINTHICUM, Md.—Scott's, the 17-unit chain in the Baltimore/Washington area improved its operating results in its fourth quarter and fiscal year ended Jan. 29, company officials said.

Operating profit for the fourth quarter totaled $11,000 pushing earnings for the year up to $355,000, as compared to operating losses in the fourth quarter and fiscal year of 1982 of $734,000 and $207,000, respectively.

Fourth quarter sales rose about 14% to $5.8 million to help annual store volume reach $28 million, up almost 50% from a year ago. Officials said the yearly sales increase was primarily attributable to the addition of nine outlets since fall, 1981.

Scott's parent, Scotts Seaboard which also operates building products wholesaler Seaboard Plywood and Lumber, reported annual sales of $35.3 million and a net loss of $437,000, compared with sales of $25.8 million and a net loss of $590,000 in the previous year.

Officials cited adverse weather conditions in the early part of the fiscal year, increased interest expense of $436,000 associated with Scott's expansion, and a difficult economic environment as hindrances to fiscal 1983 performance.

They noted, however, that fourth quarter results were particularly promising as the company's net loss totaled $105,000 on sales of $7.8 million compared to a net loss for the period of $850,000 on sales of $6.6 million a year ago.

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